CANADA URBAN INSTITUTE

Canada-Baltic Municipal Cooperation Program

Tenth Interim Report (July 1 to September 30, 1998)

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SUMMARY

During this reporting quarter, significant steps were made towards the successful realization of the CBMCP's disengagement strategy. With respect to the CBMCP obligations associated with municipal economic strategy development, and investment promotion in the Baltic Capitals (Objective 1 & 4), it is the CUI's opinion that our primary partners, the Capital City Governments, have been strengthened to a point where the program's activities are sustainable beyond the CBMCP completion date. In each of the Capital, the CBMCP has resulted in the completion of full cycles of strategic planning processes, significant administrative reforms and changes in municipal government policy. During this quarter, CBMCP efforts generated several outcomes:

- A number of municipal economic development and investment promotion mechanisms were established: finalization of the Tallinn City Strategic Plan; opening of a public / investor service & information area in Tallinn City Hall; drafting of the Riga Physical Development Strategy and Riga Investment Program, implementation of a program to streamline the City of Riga's project / development approvals processes; drafting of Vilnius Capital Investment Strategy; development of a system for registering public investment projects in Vilnius; design of a system for Vilnius municipal capital loan and integrated project management; Vilnius Council approval of development program for the North Town, and implementation of a stakeholder consultation program for Vilnius official plan approval.
- Investor promotion publications were prepared / updated and published: Vilnius' Economic Profile'98; Investment Opportunities in Vilnius '98; City of Tallinn (allure brochure), Tallinn Economic Profile'98, Directory of Tallinn City Heritage Sites, Land Development Opportunities in Riga, and Case Studies of Successful Development Projects in Riga.

With respect to CBMCP obligations associated with delivery of educational programs & dissemination of CBMCP learning experiences (Objectives 2 & 3), most original performance measures have been well exceeded. Nonetheless, in terms of optimizing the potential for ensuring a systematic and on-going diffusion of CBMCP impacts, much work remains. This quarter efforts have been focused on finalizing the preparation of educational materials and programs, as well as facilitating the establishment of institutional partnerships, at both national and international levels, to undertake joint activities related to the on-going diffusion of the CBMCP's impacts. In working on aforementioned tasks, a number of outcomes were generated this quarter, including:

- Educational materials were updated and translated for courses on integrated urban development, and municipal strategic planning & economic development. Further, the first draft of a training course on municipal tourism development was also completed.
- Partnership agreements were negotiated between ministries responsible for municipal affairs, municipal associations, and public administration educational institutes in each Baltic country. Further, agreement was generated on a work plan to develop national capacity building programming related to municipal management all of the Baltic countries. In this regard, a proposal was submitted to FDI-CEE for funding.

- Formal discussions were initiated between the Government of Estonia and the World Bank for the launching of the Municipal Finance Initiative. Further, efforts to promote the inclusion of a more substantial capacity building component in the World Bank's Lithuanian municipal programming were successful.
- Support was provided in the preparation and submission of proposals to PHARE by the City Governments of Riga and Vilnius for participation in INTERREG, a multi-national effort focused on cross border issues and the planning of urban regions in the Baltic area. Approval in-principle has been granted to both cities.

This quarter's accomplishments culminated with the President of Latvia's written recognition of the CBMCP's impacts. The scale and range of the accomplishments are due to the strong partnerships that the CBMCP enjoys with several Canadian, Baltic and international organizations. One the same note, the facilitation of solid institutional partnerships to ensure a systematic and on-going diffusion of CBMCP experience remains the program's most prevalent challenge. Accordingly, the CBMCP's efforts will continue to focus on the building of partnerships amongst Baltic national agencies responsible for municipal development and related international organizations as well as continue towards the realization of other activities outlined in the program's disengagement strategy. In conclusion, it should also be noted that four CIDA/DFAIT Youth Interns have solidly contributed to the current and upcoming quarters' achievements.

CANADA-BALTIC MUNICIPAL COOPERATION PROGRAM ON STRATEGIC URBAN MANAGEMENT

Tenth Interim Report
July 01 to September 30, 1998

1. INTRODUCTION

With funding from the Program of Cooperation with Central & Eastern Europe, the Canadian Urban Institute (CUI) is managing the *Canada-Baltic Municipal Cooperation Program: Phase II* (CBMCP). This three-year technical cooperation program began in April 1996, and is scheduled to end in March 1999. The CBMCP is being undertaken in primary partnership with the City Governments of Vilnius, Riga, and Tallinn, and in secondary partnerships with the ministries responsible for municipal affairs, public administration educational institutes and local government associations.

The Canada-Baltic Municipal Cooperation Program (CBMCP) is guided by four objectives:

1. To support the implementation and continuation of the municipal strategic planning processes in the Baltic Capital Regions.
2. To support the development of educational materials and the provision of training programs related to municipal management.
3. To support the dissemination of the CBMCP's experiences throughout the Baltic Region.
4. To facilitate trade and investment linkages between Baltic and Canadian organizations.

The CBMCP has entered its final nine-months of programming. Current activities have been focused on the realization of a disengagement strategy that was prepared during the first quarter of 1998. The disengagement strategy outlines a plan for ensuring, without further Canadian assistance, the continuance of progress towards the achievement of the CBMCP's objectives beyond the completion date. Please note that for the purposes of the disengagement strategy, Objective 1 & 4 as well as Objectives 2 & 3 have been agglomerated due to the associated synergies and congruence in activities. (See Appendix A2).

Based on the suggestion of CIDA, the format of this quarter's interim report has been modified to outline the attainment of the CBMCP's objectives vis-à-vis the actions outlined in the disengagement strategy. Further, as recommended by CIDA, this interim report's format has been modelled after the Canada-Estonia Translation and Legislative Support Centre's Quarterly Narrative Report.

2. PROGRESS IN MEETING OUTCOMES

General Context for the Quarter

Baltic law permits staff to take approximately one month of vacation time during the summer period, and most of the CBMCP's Baltic staff and partners exercised this right. According activity levels were somewhat lower during this reporting period. Nonetheless, due to the CBMCP's considerable momentum, a significant amount of outcomes were achieved, and considerable progress was made towards the realization of the program's disengagement strategy. Specific achievements were made related to supporting the dissemination of the CBMCP's learning experiences outside of the Capital City Governments.

The following outcome statements are taken from the first draft of a revised RBM framework (See Appendix A3).

Outcome Statement One: ***Baltic Capital City Economic Development & Investment Promotion***

The Baltic Capital City Governments will have the expertise and capacity to implement and continue the municipal strategy development processes initiated within the framework of the CBMCP. A focus will be placed on the implementation of economic development and investment promotion-related programming with a specific view to supporting the creation of Canada-Baltic business linkages.

Outcome Summary

With respect to the CBMCP obligations and approach, it is the CUI's opinion that our primary partners, the Capital City Governments, have been strengthened to a point where the program's activities, as related to Objectives One and Four, are sustainable beyond the CBMCP's completion date. In each of the Capital City Governments, the CBMCP has resulted in the completion of full cycles of strategic planning processes, significant administrative reforms and changes in municipal government policy. Moreover, city government functions / departments have been established with much of their efforts are focused on developing tools for enabling land and property to be used as instruments for achieving the local Baltic communities' economic development goals. In summation, there is political will and new municipal functions with the mandate, professional staff and budget allocations to continue with CBMCP-initiated activities.

Indicators of Progress

Over the past quarter, efforts focused on implementing the activity sets outlined in the disengagement strategy:

- Providing on-going support to further entrench the multi-stakeholder strategic planning processes, especially in the area of economic development and investment promotion.
- Updating investment promotional tools.
- Conducting market studies to identify commercial opportunities related to municipal management and urban development.

Lithuania

In this past quarter in Vilnius, the CBMCP's has been continuing to support the City of Vilnius' work in three inter-related areas. First, support is being provided to the economic development department for the preparation of a strategic economic plan. In this regard, key deliverables completed this quarter were the annual updating of Vilnius' Economic Profile, and the publishing of the second edition of the brochure "Investment Opportunities in Vilnius '98". Second, the CBMCP is supporting the implementation of the City of Vilnius' Public Investment Program. In this regard, a system for registering all public investment projects is in place, and a capital investment strategy and a system for municipal capital loan and integrated project management is near completion. Third, the CBMCP is supporting the preparation of the City of Vilnius' official / land use plan. Efforts focused on supporting the public consultation aspects associated with the final steps of the official plan's approval by Vilnius City Council. Actions included the preparation and publication of a summary of draft official plan in Lithuania's largest national newspaper (this initiative was also supported by UNESCO), the completion of a public opinion survey to examine citizen attitudes toward municipal management issues, and organization of workshops on transportation planning issues (in partnership with Stockholm County and ALSTOM, a France-based firm) and development charges (in partnership with Harborough Council, England). During this quarter, a DFAIT / Centre for Russian and East European Studies (CREES) Youth Intern was placed in Vilnius (for a 2-month in-the-field mission) to work on the upgrading of the Vilnius City web-site as well as to assess the business opportunity potential for Canadian municipal information technologies in Vilnius. The latter activity is being accomplished under the guidance of Canada's largest information technology firm, Vision Solution, a business unit of SHL Systems House.

Other key impacts achieved during this quarter included: Vilnius City Council approval of two CBMCP-supported activities; the formulation of a redevelopment strategy for the North Town

(prepared with the earlier assistance of the City of Ottawa, Toronto Economic Development Corporation, and Ryerson Polytechnical University), and the formulation of municipal housing policy (prepared in partnership with Rooftops Canada).

Latvia

In this past quarter in Riga, the CBMCP's efforts have focused on five inter-related activities. The overall direction of the CBMCP's effort is geared towards the preparation of a municipal economic development strategy for the City of Riga. All group work was been completed, consensus has been achieved on the strategy's framework, and Latvian consultants were hired to formulate sectoral economic action plans. In support of the strategy, work in this quarter is proceeding on four other inter-related fronts. The first drafts of (i) the physical (infrastructure) development strategy and (ii) the Riga Investment Program were prepared and are now being reviewed by key stakeholders. Further, the brochures / portfolios of (iii) municipal land development opportunities and (iv) case studies of successful development projects have been updated, and are being officially used as an international investment promotional tools. Progress has also been made towards (v) the implementation of a program to streamline the City of Riga's project / development approvals processes. This quarter also saw work begun on the preparation of a study to identify business opportunities related to municipal development trends in Riga.

Estonia

In this quarter in Tallinn, the City Government's strategic plan, which contains five inter-related strategies (including an economic development strategy), was finalized and officially submitted to the Mayor and other key officials. The mainstay of the CBMCP's efforts focused on supporting the Information and Development Department in the creation of investor relation and marketing tools. Accomplishments this quarter included the finalization of the updating of the allure brochure - "City of Tallinn", the investment promotion document - "Tallinn Economic Profile'98", and the resource book -"Some Statistics About Tallinn". Further, a public / investor service and information hall, which was modelled after the City of Toronto's public relations service area, was officially opened on the main floor of Tallinn City Hall. In this regard, the CBMCP supported the preparation of information sheets on the functions and services provided by the city. Work was also continued on the preparation of a research project to determine policy and programming recommendations towards the creation of system for disposal and development of municipal-owned property, especially through public-private partnership arrangements. Also during this quarter, two CIDA / Canadian Institute of Planners (CIP)

Youth Interns were placed in Tallinn (for 2-month in-the-field missions). One intern assisted with the research project (funded by the World Bank / FDI-CEE) on the development and disposal of municipal property; especially through public-private partnership arrangements. The other intern was conducting a market research study to determine business opportunities related to municipal development trends in the Baltic Capitals. Other activities completed this quarter, include the compilation and circulation of a directory of city heritage sites to city officials, and active participation in the workgroup mandated with the formulation the City's Official Development Plan.

Pan-Baltic

In this quarter, two main sets of activities are being undertaken in an explicitly pan-Baltic manner. Firstly, a research report is being finalized for a FDI-CEE / World Bank supported project to develop mechanisms for promoting private sector involvement in municipal development in the Baltic Capital Cities. In Tallinn, research has been focused on the creation of system for disposal and development of municipal-owned property, especially through public-private partnership arrangements. In Riga, efforts have been focused on the creation of a program to streamline the City's project / development approvals processes. In Vilnius, efforts are focussed on the creation of a system for improving municipal tendering processes and applying development charges. Secondly, a research project was launched to identify business opportunities related to municipal development trends in the Baltic Capital Cities. Included in this project is the creation of a directory of Canadian manufactures of municipal related products, and resource directory containing copies of company profiles and product catalogues.

Challenges and Measures Taken

In terms of sustainability of the CBMCP's impacts in the Baltic Capital City Governments, there are no concerns as the city governments have adopted policies and established functions with mandate, budget and staff to continue CBMCP-initiated practices (strategic planning, stakeholder involvement, territorial planning, economic development, investment promotion, etc.). Further, it is anticipated that all of the strategy processes and studies outlined in this section will be completed and published by the end of the CBMCP. In terms of impact level, one issue may be categorized as a concern. It is not expected that the current Tallinn City Government will officially adopt the municipal strategic plan (which consists of 5 inter-related strategies) that was initiated and supported by the CBMCP. The reason is two-fold. First, Tallinn has a municipal government with a weak coalition and a council with a multitude of political parties with few areas of common agreement. This has created a situation

where the Mayor has decided to withhold the submission of the municipal strategic plan to council for approval due to rejection concerns that would be politically motivated. Second, the scheduling of upcoming state and municipal elections respectively in the Winter and Fall of 1999 will significantly hinder decision-making at the Tallinn City Government level. Nonetheless, the primary rationale for withholding the strategic plan's submission is that the Mayor does not want to risk the rejection of a document that is considered to be of significant value and relevance, and thus enjoys solid support by much of the city government's administration. Accordingly, elements of the strategic plan has played a key role in the formulation of the overall municipal budget as well as in several functional / departmental planning and budgeting processes. As such, many aspects of the strategic plan are being implemented. Further, the municipal strategic plan is being used to guide the official development plan preparation process.

In response, a decision was also made to make a slight modification in the disengagement strategy. Specifically, the action, "Assisting in the sourcing of additional international funds", has been moved from under Objectives 1 & 4 to under Objective 2 & 3. This modification was in recognition that the City Governments' have made significant internal budget allocations to CBMCP-related activities. Thus, a decision was made to focus efforts on sourcing international funds for activities related to capacity building and the dissemination of the CBMCP's learning experiences.

Outcome Statement Two: ***Delivery of Educational Programs & Dissemination of Learning Experiences***

The CBMCP's learning experiences will be captured and disseminated through the development and delivery of education programs, the initiation of strategy development process in other municipalities and government agencies, and the establishment of collaborative relationships with key national and international organizations involved in Baltic municipal development.

Outcome Summary

For the purposes of this disengagement strategy, Objectives Two and Three have been agglomerated due to the associated synergies and congruence in activities. With respect to the CBMCP's obligations and approach, the CUI has exceeded the previously agreed upon performance measures. Nonetheless, in terms of optimizing and ensuring sustainability with respect to the dissemination of the CBMCP's impacts, a significant amount of work remains. During the first half of the CBMCP, the mainstay of program's effort was focused on the generation of municipal management tools and learning

experiences that are locally relevant and professionally respected. Accomplishments have been significant, and formally recognized by state and city government officials in each Baltic country, including the Presidents of Latvia and Lithuania. This was done in primary partnership with the Capital City Governments, and in secondary partnership with several other local authorities. As a result over the past year, efforts have been increasingly focused on capturing and disseminating the CBMCP's impacts within framework of educational programs and tools. Much of the work is being undertaken in partnership with several national and international organizations. Almost all of the CBMCP-supported educational programs and tools have been completed and tested through on-site delivery. Now efforts are focused on facilitating the establishment of institutional partnerships, at both national and international levels, for the on-going dissemination of the CBMCP's impacts. Several partnership agreements have and are being facilitated and initial partnership activities are being negotiated and / or implemented.

Indicators of Progress

Over the past quarter, efforts focused on implementing the activity sets outlined in the disengagement strategy:

- Working with national ministries, the World Bank and other international development agencies to formulate a work program for creating a national strategy for systematically building the capacity of the Baltic countries' secondary and smaller cities.
- Developing partnership agreements with municipal associations and public administration training institutions for continued use and dissemination of the CBMCP's educational programs and materials.
- Refine and deliver structured training courses.
- Prepare and publish municipal handbooks.
- Continue to assist other partner municipalities with the completion of the first cycle of their strategic planning process.

Lithuania

During this quarter in Lithuania, a partnership agreement was negotiated and signed between the CUI, the Ministry of Public Administration & Local Government Reform, the Lithuanian Association of Local Authorities, and the Lithuanian Public Administration Training Centre. (This agreement was attached to the previous interim report). The purpose of this agreement is to work towards the on-going dissemination of the CBMCP's impacts. Efforts are focused on working towards the implementation of this agreement. In this regard, this quarter's accomplishments included: (i) agreement to jointly work on the preparation of a national capacity building strategy for municipal finance and management (see Appendix A6); (ii) on-site examination of the World Bank's Municipal

Finance Initiative / Sub-National Development Program in Hungary (by a Lithuanian official from the Ministry of Public Administration & Local Government Reform); (iii) promoted the inclusion of a more substantial capacity building component in the World Bank's Municipal Development Fund project; (iv) completion of the first draft of a training course on municipal tourism development, (v) updating of the educational materials for the training course on municipal strategic planning and economic development into Lithuanian; (vi) translation of the handbook for analysing and documenting the urban economic base into Lithuanian – by two Vilnius Technical University professors who have indicated that they will integrate the handbook into their educational programming, (vii) supported the preparation and delivery of a 2-day international workshop on "Construction in Historical Environments", and (viii) updating of educational materials and preparation for the delivery of a 5-day training course on integrated urban development.

The last two activities on urban conservation issues are being accomplished in partnership with ICCROM - a Rome-based multilateral organization, the University of Montreal, and the Organization of World Heritage Cities (of which Quebec City is the secretariat). Further, a DFAIT / CREES Youth Intern was placed in Vilnius (for a 2-month in-the-field mission) to assist with organization of these educational activities and translation of presentations and other training materials. It should also be noted that in the development of the final two activities, key actions included a substantial stakeholder consultation process, and the organization of an architectural student exhibition.

During this quarter, efforts were also exerted on assisting with preparation of a Vilnius County regional development strategy. Key activities included the preparation and submission of a proposal to PHARE for participation in INTERREG, a multi-national effort focused on cross border issues and the planning of urban regions in the Baltic Sea area. This proposal, written in partnership with a German organization, has been approved in principle, and budget negotiations have begun.

Latvia

During this quarter in Latvia, a partnership agreement was negotiated and signed with the Union of Latvian Self-Governments and the Latvian Municipal Training Centre. (See Appendix A5) The purpose of this agreement is to work towards the on-going dissemination of the CBMCP's impacts. Efforts are focused on working towards the implementation of this agreement. In this regard, this quarter's accomplishments included: (i) building agreement to jointly work on the preparation of a national capacity building strategy for municipal finance and management (in consultation with

Ministries of Finance, Economy, and Environmental Protection & Regional Development); (ii) on-site examination of the World Bank's Municipal Finance Initiative / Sub-National Development Program in Hungary (by two Latvian officials from the Ministries of Finance and Environment & Regional Development); (iii) updating and translation of the educational materials for the training course on municipal strategic planning and economic development into Latvian; (iv) translation of the handbook for analysing and documenting the urban economic base into Latvian; (v) continued preparation of a manual on "Action Planning in Latvian Municipalities"; (vi) continued preparation of guidelines for public participation in territorial planning for municipalities of Latvia", and (vii) participation in the preparation of the project Public Participation in the National Plan of Latvia. During this quarter, CUI Latvian staff members also delivered lectures on city planning and municipal economic development at the University of Latvia.

During this quarter, efforts were also exerted towards (i) the preparation of the "Riga Region Development Strategy"; including participation in (ii) a study on "Riga Region Alternative Development Versions"; (iii) activities concerned with the implementation of the project "Vision and Strategy for Spatial Development Zone Tamprere-Helsinki-Tallinn-Riga"; (iv) preparation of project proposals for "Riga Region Tourism Information System"; and (v) participation in activities (including workshops in Finland and Germany) associated with the preparation and submission of a proposal to participate in PHARE / INTERREG, a multi-national effort focused on cross border issues and the planning of urban regions in the Baltic Sea area. The proposal has received approval-in-principal by PHARE. Additionally, the CBMCP-initiated Latgale Regional Development Strategy received funding from PHARE to support its finalization and implementation.

Key impacts achieved during this quarter, included: (i) the President of Latvia wrote a letter to Prime Minister Chretien thanking Canada for the value and quality of the CBMCP. (See Appendix A6). The Latvian President also requested further Canadian assistance to utilize CBMCP's learning experiences to strengthen the capacity of municipal governments outside of the Baltics' national capital regions; and (ii) the three state ministries responsible for municipal development, the Union of Latvian Self Governments, and the Latvian Municipal Training Centre entered into joint discussions about programming priorities for the first time.

Estonia

During this quarter in Estonia, a partnership agreement was negotiated with the Ministry of Internal Affairs, Estonian Institute of Public Administration, and the Association of Estonian Cities. The purpose of this agreement is to work towards the on-going dissemination of the CBMCP's impacts. The signing of this agreement is expected during the upcoming quarter as the boards of two of the partners need to approve the agreement first. Nonetheless, efforts are still focused on working towards the implementation of this agreement. In this regard, this quarter's accomplishments included: (i) agreement to jointly work on the preparation of a national capacity building strategy for municipal finance and management; (ii) on-site examination of the World Bank's Municipal Finance Initiative / Sub-National Development Program in Hungary (by two Estonian officials from the Ministries of Internal Affairs and Finance; (iii) facilitation of a tri-ministerial request for discussions to launch the World Bank's Municipal Finance Initiative in Estonia; (iv) updating and translation of educational materials for the training course on municipal strategic planning and economic development into Estonian; (iv) translation of the handbook for analysing and documenting the urban economic base into Estonian; and (v) prepared a handbook for municipal tourist guides. Additionally, professional guidance was continued to be provided in support of CBMCP-initiated strategic planning processes with Harju County, Tartu City, and Kiela City.

Another accomplishment was the design and delivery of an in-Canada study tour on the development and management of urban physical infrastructure for the Head of the Technical Infrastructure Division, City Planning Department, City of Tallinn. An emphasis was placed on transportation management practices in the Greater Toronto Area. (See Appendix A4).

Key impacts achieved during this quarter include; (i) the World Bank and Government of Estonia formally agreed to begin negotiations for the launching of the Municipal Finance Initiative, a technical assistance and loan program to support fiscal decentralization and municipal development; and (ii) three ministerial departments / functions began joint discussions and formally agreed on programming priorities for the first time.

Pan Baltic

In this quarter, four main sets of activities were undertaken in an explicitly pan-Baltic manner. Firstly, a handbook on analyzing and documenting the urban base was completed. Secondly, the first draft of a handbook to guide the determination policy and programming recommendations for promoting

private sector involvement in municipal development was prepared. Both of these activities are being undertaken in partnership with the FDI-CEE / World Bank, and are receiving professional support from the City of Ottawa. Thirdly, a proposal to facilitate the creation of national capacity building programming options for municipal finance and management has been prepared and submitted to the FDI-CEE / World Bank for funding and support. This project will support the conducting of background research, organization of a multi-stakeholder forum to determine municipal capacity building priorities and programming options, and presentation and analysis of each Baltic country's priorities and options at the upcoming CBMCP regional workshop in Riga in February 1999. Agreement to actively participate in this implementation project was sought and achieved amongst all the CBMCP's primary and secondary partners in the Baltics. Fourthly, the CUI participated in three FDI-CEE / World Bank / United Nation committee meetings in order to support the dissemination of the CBMCP's learning experiences internationally and source additional funds for CBMCP-sponsored activities.

Challenges and Measures Taken

Currently, there exists no national strategy for municipal capacity building in the Baltic countries. To date, the national government has focused on building the capacity of state agencies and their professionals. As a result, little attention was given to the needs of local authorities. This has created a situation whereby municipal capacity building in being undertaken in an ad hoc manner. Further, the uncoordinated programming of numerous international organizations is also convoluting the situation. Now that much of the state authorities capacity building needs have been satisfied, municipal capacity building is emerging as a priority. This is especially true since a significant amount of responsibilities have been devolved to the local level. The CBMCP has been successful in generating several municipal capacity building tools that are professionally proven and well-respected in the Baltics. Accordingly, the CBMCP's disengagement strategy has placed a strong emphasis on working with the national and international organizations to determine municipal capacity building priorities and programming options.

During this quarter, significant steps were made towards increasing the potential for the sustainability of the dissemination of the CBMCP's learning experiences. Nonetheless, several challenges remain. First, the final delivery of the training course on municipal strategic planning and economic development in each of the Baltic countries had to be rescheduled from November 1998 to February 1999 since the City of Ottawa was not able to release Mr. Eric McSweeney due to increased

workloads. In order to ensure that this final set of training courses is delivered in February 1999, Mr. John Farrow, the CUI's President, and one of Canada's leading economic development specialists, will prepare to deliver the training course as a back-up.

A second concern is that the FDI-CEE may not support the project proposal to facilitate the creation of national capacity building programming options for municipal finance and management in each of the Baltic countries. In order to mitigate this concern, the CUI designed the project proposal to specifically support activities that the CBMCP was already going to undertake as part of the disengagement strategy. Thus, even without FDI-CEE funding, the activities proposed for support will be accomplished, however, at lower activity level.

It should be noted that in each of the Baltic countries at least one state ministry has been initiating CBMCP-modelled strategic planning process in municipal and regional governments outside of the national capital. However, another issue of concern relates to the willingness and ability of Baltic national agencies to work in close cooperation to continue with the implementation of CBMCP-related activities. This concern in Estonia and Lithuania has be somewhat mitigated since the CBMCP has facilitated the creation of World Bank programming specifically related to municipal capacity building. Further, as there is cross-ministerial agreement, the CBMCP-sponsored activities related to the determination of municipal capacity building priorities and programming options have become integrated into the State Governments of Lithuania and Estonia's official processes. However, in Latvia, the situation is characterized by a marked lack of cross ministerial agreement on municipal development priorities and approaches, and a stagnation in decision-making at the national level. As such, the CBMCP has decided to focus partnering efforts on the Union of Self-Governments of Latvia and the Latvian Municipal Training Centre. It is hoped that the Union will be able to facilitate the creation of process that is able to able to broker consensus among the three competing ministries.

Other Outcomes and Indicators of Progress

During this quarter, it is worth noting that four Baltic women involved in the CBMCP have been professionally recognised and offered career advancements. CUI-Estonia Project Co-ordinators, Ms Liisa Pakosta and Ms Kairi Teniste have respectively offered the positions of Director of Heritage Preservation Department, and Director of Information and Development Department within Tallinn City Government. Ms Iveta Pastore, the CUI-Latvia Communication Co-ordinator was selected over 150 candidates to become a marketing manager for IBM Latvia, and Ms Olga Mackeviciute, the CUI-

Lithuania Communications Co-ordinator, accepted the position of Operations Manager for Williams International, an American company that recently made significant investments in Lithuania's petroleum industry.

3. LOOKING AHEAD

As this phase of the CBMCP has entered into the final 6 months, several key tasks remain in ensuring the continuance of a smooth disengagement and that the program's impacts will be optimally sustainable in the longer-term. These key tasks include:

- ***Implementation of cooperation agreements with national agencies for the dissemination of the CBMCP's impacts and experiences.*** The CUI has negotiated multi-stakeholder cooperation agreements to promote the on-going implementation of CBMCP-activities. In this regard, efforts are being exerted on the preparation / refinement and translation of several educational materials, the joint delivery of structured training courses, and the determination of national programming priorities and options related to municipal capacity building. Further, due to recent indications from CIDA that a new phase of Canadian-Baltic municipal cooperation will be considered, efforts will also focus on the building of a concept proposal to support municipal development in local authorities outside of the national capital region.

- ***Quality completion of all Capital City Government activities.*** The largest reason for the CBMCP's significant level of success and momentum to-date can be attributed to the fact that high quality and locally relevant policies, programs and planning tools have been created. Unfortunately, this characteristic is not common amongst many other foreign assistance programs at the municipal level in the Baltics. Thus, efforts are being exerted to ensure the high quality completion and documentation of on-going CBMCP-sponsored activities in the areas of municipal economic development and investment promotion. This will enable the generation of additional urban management tools and further build momentum to further enhance the sustainability of the CBMCP's impacts and experiences.

- ***Completion of market research on commercial opportunities related to municipal development trends in the Baltic Capitals.*** The intent of this activity is to provide the Canadian Embassy with

market intelligence on municipal-related opportunities as well as with tools (including, a directory of Canadian manufactures) to assist with the realization of such opportunities. The findings of the market research will also be circulated to a select number of Canadian firms.

- ***Wrap-up and transfer of project management systems to local partners.*** An inventory of all CBMCP-purchased office infrastructure, publications and other resources are being taken, and plans are being made to transfer ownership to both primary and secondary partners in each Baltic country. Further, work plans will be jointly formulated with Baltic partners to ensure continuance of CBMCP-initiated activities immediately beyond this phase's completion date.

In conclusion, the CBMCP has achieved a great deal of success in meeting its contractual obligations and will leave a lasting positive impact in the Baltics. Further, as municipal capacity development – in the secondary cities outside of the national capital regions - remains a national priority in each of the Baltic countries, key Baltic government leaders have requested additional Canadian cooperation to further disseminate the CBMCP's learning experience. Accordingly, the CBMCP's disengagement strategy has been specifically designed to develop urban management tools and multi-stakeholder programming that can enable a systematic and coordinated building of municipal government capacity in the Baltic countries' medium sized and smaller urban areas.

5. APPENDICES

A1. ESTIMATION OF ACTUAL, IN-KIND & LEVERAGED CONTRIBUTIONS *(EXCLUDING CIDA & CUI)*

FOR PERIOD FROM APRIL 1996 TO SEPTEMBER 1998

Type of Contribution	Other Canadian and International organizations	Baltic organizations
Professional fees contributed in support of CUI sponsored activities	**$384,000** • ($400 x 665 days by Canadian professionals on assignment) • ($400 x 295 days by Canadian Advisory Committee members)	**$411,750** • ($75 x 940 days in Estonia) • ($75 x 1220 days in Latvia) • ($75 x 3330 days in Lithuania)
Direct funding to CUI sponsored activities	**$241,500** • ($1,000 – City of Ottawa) • ($1,500 – City of Toronto) • ($19,000 – Institute on Governance) • ($1,000 – Soros Foundation) • ($60,000 – ICCROM) • ($114,000 – World Bank / FDI) • ($5,000 – Edinburg Renewal Trust) • ($10,000 – Danish Min. of Interior) • ($30,000 – Misc. support for int'l conference presentation / participation)	**$452,000** • ($38,000 – Tallinn professional secondments) • ($66,000 – Riga professional secondments) • ($22,000 – Vilnius professional secondments) • ($160,000 – Tallinn allocations) • ($50,000 – Riga funding allocations) • ($78,000 – Vilnius' allocations) • ($25,000 – Lithuania Ministry of Culture) • ($3,000 – Estonian Air)
Funding / leveraging of complimentary activities	**$1,430,000** • ($18,000 – World Bank / FDI) • ($3,000 – Denmark / Administrative Reform in Lithuania) • ($39,000 – Rooftops Canada) • ($1,370,000 –PHARE – Politicians' Club in Vilnius; Riga Master Traffic Plan; Pre-feasibility for Daugava River Crossing; & Riga Transportation Modelling)	
Facility & equipment rental	**$16,000** • ($250 x 64 days – workshop rooms in Canada)	**$277,000** • ($2,500 x 30 months x 3 CUI-Baltic offices) • ($1,000 x 30 months – Riga apartment) • ($100 x 190 days – workshop rooms) • ($100 x 30 days – ground transportation)
Trade & Investment		**$6,000,000** • ($6,000,000 investment by Latvian to building parking garage with Canadian products & services)
Total	**$2,071,500**	**$7,140,750**
Grand Total	**$9,212,250**	